Liberty Utilities
WATER | GAS | ELECTRIC

Liberty (Litchfield Park Water & Sewer) Corp.

January 23, 2014

Mr. Steven M. Olea, Director
Utilities Division
ARIZONA CORPORATION COMMISSION
1200 West Washington
Phoenix, Arizona 85007

RE: ANNUAL STATUS REPORT – LPSCO
Decision No. 69912, Docket Number W-01427A-06-0807

Dear Mr. Olea;

Liberty (Litchfield Park Water & Sewer) Corp. (Liberty) is writing this letter as ordered by the Arizona Corporation Commission per Decision No. 69912 of all matters related to the deferrals, and the cumulative costs associated with monitoring groundwater in relation to the North Phoenix-Goodyear Airport (NPGA) Area Superfund Site.

Subunit A – Northeast:

As previously reported by Liberty during its prior annual status report submitted to the Commission dated December 21, 2012, significant progress has been achieved on plume delineation and treatment (See Figure 1).

In response to the continued injection of treated groundwater in IA-11, IA-12, and IA-13, and in conjunction with extraction of groundwater from EA-05, EA-06, EA-07 and EA-08, groundwater elevations continue to indicate a ground water mound an effective hydraulic barrier west of Dysart Road (in the area of Liberty's closest well). Ground water flow directions continue to be away from Liberty's water production wells. Over the last year, TCE concentrations in local key monitoring wells continue to demonstrate that the plume in this area is defined and continues to decrease in size as a result of the extraction and injection well operations.

Subunit A – Northwest:

As stated in last year's report dated December 21,2012, extraction well EA-08 was rapidly deployed in order to hydraulically control the Subunit A TCE in this area.

Once installed, ground water measurements were collected over the year, as well as other additional studies such as a Subunit A capture zone analyses, ground water flow model, and fate and transport model all of which aid in the determination if an additional injection and/or treatment system is necessary in this area.

Based on the data above and ground water flow vector information collected throughout the year, EA-08 capture zone falls short of full capture in the northwest plume area. There is a small gap in the hydraulic capture between well 33A and EA-08. This small gap if untreated, would cause contaminated ground water to escape capture. Therefore, additional injection well system will need to be added in order to fully capture the ground water plume in the northwest area.

Recently, construction work has begun on the Northwest Injection Well System and is expected to be complete by end of 2nd quarter, 2014. This new injection system will include two new injections wells (IA-07 & IA-08) and underground piping to convey the treated ground water from EA-08 to the northwest area (the "gap") in order to establish a hydraulic barrier to protect water supply wells and reduce the size of the plume, similar to the northeast area. This project is anticipated to close the gap.

Currently:

Most recent ground water monitoring data trends continue to indicate that TCE concentrations are for the most part decreasing and ground water flow directions away from Liberty water supply wells. In addition, a lowering of TCE concentrations continues to indicate the plume is shrinking in size. Subsequently, Liberty ground water monitoring has returned to its normal Safe Drinking Water Act (SWDA) frequency of every three years.

Liberty continues to work with ADEQ and the EPA in the event TCE concentrations in the general area become elevated. Liberty is pleased with the trend of reducing TCE concentrations as well as the shrinking size of the plume within the northwest portion of the plume. Liberty is confident the remaining "gap" in the northwest portion of TCE plume will be closed this year and full plume containment will be complete shortly thereafter.

Additional efforts by the EPA and ADEQ to expedite aquifer restoration are currently underway and will be debated early in 2014. New technologies have been demonstrated at the source area to rapidly break down TCE contaminants and greatly reduce the timeframe for aquifer restoration.

To date, there have been no test results indicating quantifiable concentrations of TCE in any of LPSCO's existing wells.

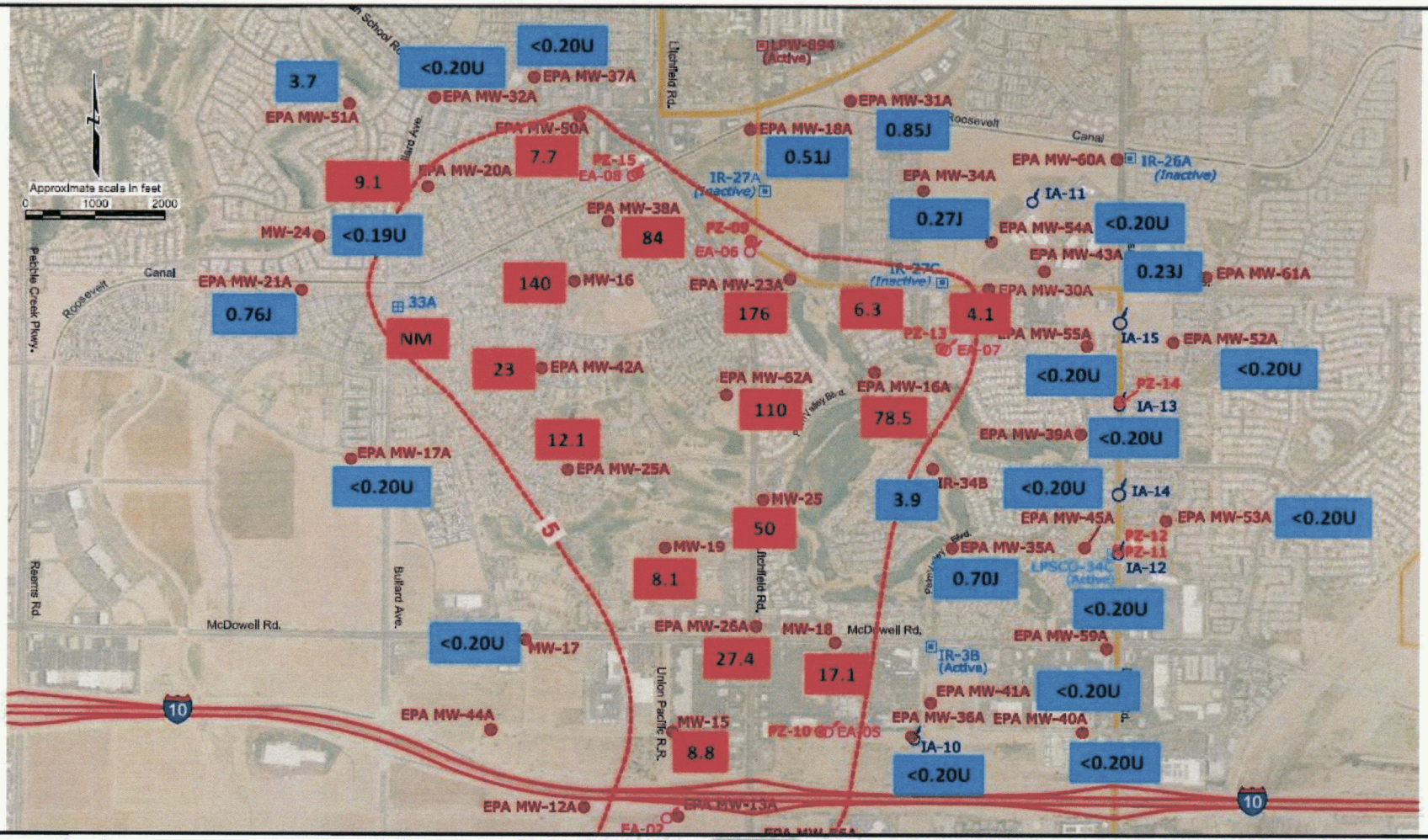
LPSCO has spent approximately $99,565.08 year to day, a further break down of costs by calendar year can be found in the attached Cost Break Down sheet provided (see Attached Cost Break Down Sheet).

Regards,
Liberty (Litchfield Park Water & Sewer)Corp.

Matthew Garlick

Matthew E. Garlick, Director – Operations (AZ, TX)

cc: Docket Control



Explanation

882 — Potentiometric isocontour showing groundwater elevation in feet above MSL; dashed where inferred

—5— Isocontour showing TCE concentration in µg/L, dashed where inferred.

0.70J TCE Concentration < 5 µg/L

8.8 TCE Concentration ≥ 5 µg/L

Inferred Capture Zone

PHOENIX - GOODYEAR AIRPORT - NORTH SUPERFUND SITE
102 S. LITCHFIELD ROAD GOODYEAR
MARICOPA COUNTY, ARIZONA

MATRIXNEWORLD
Enabling Progress

250 North Litchfield Road, Suite 201
Goodyear, Arizona 85338
WBE / DBE / SBE

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SUBUNIT A TCE CONCENTRATIONS and GROUNDWATER CONTOURS NORTH OF I-10
NOVEMBER 2013

DRAWN BY:	DESIGNED BY:	APPROVED BY:	PROJECT NUMBER:
LM	LM	HB	13-100E
DATE: 12-23-13	DATE: 12-23-13	DATE: 12-23-13	SCALE: 1" = 2000'

FIGURE NUMBER: 1

COST BREAK DOWN

Litchfield Park Service Company
TCE Plume – Deferred Costs

July 1, 2006 – December 31, 2007

	Amount
Total Legal Costs	$48,867.20
Total Increased Frequency of Water Sampling/Testing (2006-2007)	$23,424.70
Total Costs	$72,291.90

January 1, 2008 – December 31, 2008

	Amount
Total Legal Costs	$254.15
Total Increased Frequency of Water Sampling/Testing (2008)	$8,683.00
Total Costs	$8,973.15

January 1, 2009 – December 31, 2009

	Amount
Total Legal Costs	$7,253.78
Total Increased Frequency of Water Sampling/Testing (2009)	$5,254.00
Total Costs	$12,507.78

January 1, 2010 – December 31, 2010

	Amount
Total Legal Costs	$2,554.25
Total Increased Frequency of Water Sampling/Testing (2010)	$3,238.00
Total Costs	$5,792.25

January 1, 2011 – December 31, 2011

	Amount
Total Legal Costs	$0.00
Total Increased Frequency of Water Sampling/Testing (2011)	$0.00
Total Costs	$0.00

January 1, 2012 – December 31, 2012

	Amount
Total Legal Costs	$0.00
Total Increased Frequency of Water Sampling/Testing (2012)	$0.00
Total Costs	$0.00

January 1, 2013 – December 31, 2013

	Amount
Total Legal Costs	$0.00
Total Increased Frequency of Water Sampling/Testing (2013)	$0.00
Total Costs	$0.00

Total Costs (All years)	**$99,565.08**